

B & C Road Fund Distribution Formula and Hold Harmless Provisions

Utah Code Section 72-2-108. *Formatting modified to emphasize selected provisions.*

Prepared by the Office of Legislative Research and General Counsel (June 2007)

72-2-108. Apportionment of funds available for use on class B and class C roads -- Bonds.

- (1) For purposes of this section:
 - (a) "Graveled road" means a road:
 - (i) that is:
 - (A) graded; and
 - (B) drained by transverse drainage systems to prevent serious impairment of the road by surface water;
 - (ii) that has an improved surface; and
 - (iii) that has a wearing surface made of:
 - (A) gravel;
 - (B) broken stone;
 - (C) slag;
 - (D) iron ore;
 - (E) shale; or
 - (F) other material that is:
 - (I) similar to a material described in Subsection (1)(a)(iii)(A) through (E); and
 - (II) coarser than sand.
 - (b) "Paved road" includes a gravelled road with a chip seal surface.
 - (c) "Road mile" means a one-mile length of road, regardless of:
 - (i) the width of the road; or
 - (ii) the number of lanes into which the road is divided.
 - (d) "Weighted mileage" means the sum of the following:
 - (i) paved road miles multiplied by five;
 - (ii) gravelled road miles multiplied by two; and
 - (iii) all other road type road miles multiplied by one.

Formula

(2) Subject to the provisions of Subsections (3) through (5), funds in the class B and class C roads account shall be apportioned among counties and municipalities in the following manner:

(a) 50% in the ratio that the class B roads weighted mileage within each county and class C roads weighted mileage within each municipality bear to the total class B and class C roads weighted mileage within the state; and

(b) 50% in the ratio that the population of a county or municipality bears to the total population of the state as of the last official federal census or the United States Bureau of Census estimate, whichever is most recent, except that if population estimates are not available from the United States Bureau of Census, population figures shall be derived from the estimate from the Utah Population Estimates Committee.

Hold Harmless #1: Low Population Unincorporated Area Protection

(3) For purposes of Subsection (2)(b), "the population of a county" means:

(a) the population of a county outside the corporate limits of municipalities in that county, if the population of the county outside the corporate limits of municipalities in that county is not less than 14% of the total population of that county, including municipalities; and

(b) if the population of a county outside the corporate limits of municipalities in the county is less than 14% of the total population:

(i) the aggregate percentage of the population apportioned to municipalities in that county shall be reduced by an amount equal to the difference between:

(A) 14%; and

(B) the actual percentage of population outside the corporate limits of municipalities in that county; and

(ii) the population apportioned to the county shall be 14% of the total population of that county, including incorporated municipalities.

Hold Harmless #2: Guaranteed Increase Over 1996-97 Distribution for Political Subdivisions Under 10,000 Population

(4) (a) If an apportionment under Subsection (2) to a county or municipality with a population of less than 10,000 is less than 120% of the amount apportioned to the county or municipality from the class B and class C roads account for fiscal year 1996-97, the department shall:

(i) reapportion the funds under Subsection (2) to ensure that the county or municipality receives an amount equal to 120% of the amount apportioned to the county or municipality from the class B and class C roads account for fiscal year 1996-97; and

(ii) decrease proportionately as provided in Subsection (4)(b) the apportionments to counties and municipalities for which the reapportionment under Subsection (4)(a)(i) does not apply.

(b) The aggregate amount of the funds that the department shall decrease proportionately from the apportionments under Subsection (4)(a)(ii) is an amount equal to the aggregate amount reapportioned to counties and municipalities under Subsection (4)(a)(i).

Hold Harmless #3: Guaranteed Annual Increase for Political Subdivisions Under 10,000 Population

(5) (a) (i) In addition to the apportionment adjustments made under Subsection (4), a county or municipality that qualifies for reapportioned monies under Subsection (4)(a)(i) shall receive the percentage change in the class B and class C roads account compounded annually beginning in fiscal year 2006-07.

(ii) Any percentage increase calculated under Subsection (5)(a)(i) may not include any increases from increases in fees or tax rates.

(b) The adjustment under Subsection (5)(a) shall be made in the same way as provided in Subsection (4)(a)(ii) and (b).

(6) The governing body of any municipality or county may issue bonds redeemable up to a period of ten years under Title 11, Chapter 14, Local Government Bonding Act, to pay the costs of constructing, repairing, and maintaining class B or class C roads and may pledge class B or class C road funds received pursuant to this section to pay principal, interest, premiums, and reserves for the bonds.